

## 2.A OASDI: Benefit Computation & Automatic Adjustments JWL 7-26

Table 2.A10.—Average monthly wage (AMW) and average indexed monthly earnings (AIME)

Act	Earnings measure	Provision
1939 .....	AMW	Computed using creditable earnings after 1936 and before year of death or retirement, divided by months after 1936 and before quarter of death or retirement, excluding months before age 22 in quarters not QC.
1950 .....		Alternatively, computed using creditable earnings after 1950 (or year aged 21, if later) and before year of death, year of retirement or subsequent year, or year age 65 attained if then insured, divided by number of months in those years.
1954 .....		Earnings and months in 4 years may be excluded in all cases; in 5 years if worker has 20 QC. Period of disability may be excluded.
1956 .....		Earnings and months in 5 years may be excluded in all cases. Computation period may end at age 62 for women then insured.
1960 .....		Earnings may be used for any year after 1950 and before year of retirement but including year of death, with the number of years equal to the years elapsed after 1955 (or year age 26 attained) and before year of death or age 65 attained (62 for women).
1972b .....		Same method may be used for earnings after 1936 and years elapsed after 1941.
1977 .....		Number of years for men reaching age 62 after 1972, measured to age 62 or to 1975, if later.
1977 .....	AIME	For workers who attain age 62, become disabled, or die after 1978, excludes earnings in year of attainment of age 62 and later, computed using creditable earnings after 1936.
1977 .....		For workers who attain age 62 after 1978 and before 1984, excludes earnings in year of attainment of age 62 and later, computed using creditable earnings after 1950.
1977 .....		For workers who attain age 62, become disabled, or die after 1978, AIME is computed by using indexed earnings after 1950 for the same computation period applicable in calculating the AMW. Indexed earnings for a given year equal actual creditable earnings multiplied by the national average wage for the second year before worker attains age 62, becomes disabled, or dies, divided by the national average wage for the given year, except that for years after the second year before the worker attains age 62, becomes disabled, or dies, indexed earnings equal actual creditable earnings.
1980 .....		For disabled workers, the number of years of earnings used equals the number of years elapsed after 1950 (or year age 21 attained, if later) and before year of disability, minus dropout years equal to one-fifth of the number of elapsed years rounded to the next lower integer (to a maximum of 5 dropout years). However, the number of years of earnings used is at least 2. <i>Effective for initial entitlement after June 1980.</i>
1980 .....		Disabled workers who receive less than 3 dropout years under the one-fifth rule may be credited with additional dropout years based on child care, up to a total of 3 dropout years. (To receive this credit, a worker must have had no earnings in that year and have been living with a child under age 3.) However, the number of years of earnings used is at least 2. <i>Effective for July 1981.</i>
1983 .....		For workers who die after 1978 but before attaining age 62, indexed earnings for a given year equal actual creditable earnings, multiplied by the national average wage for the earlier of (1) the year in which the worker reached or would have reached age 60, or (2) the second year before the survivor becomes eligible for aged- or disabled-widow(er) benefits, and then divided by the national average wage for the given year. This computation method applies only if a higher benefit results. <i>Effective for surviving spouses newly eligible after 1984.</i>

CONTACT: Joseph Bondar/ Barbara Lingg (410) 965-0162/ 0156 for further information.